
So Whose Money is it?

Over the past eleven years, there have been increasing attempts by some members of the General Assembly to use the pensions of Ohio's public workers to reward friends, compensate contributors, or further political agendas.

The marketing campaigns for these legislative initiatives have followed the same basic pattern: create an environment of news-media fear, demonize the plan administrators, offer the initiative as the knight-in-shining-armor solution, and push as much through the legislature as possible. Then wait until the next session for the residue.

Because these marketing ploys skillfully suppress logic with emotionally charged rhetoric, the sponsors of these bills can secure amazing support for legislative offerings that should be tossed out with the first reading.

The point that is always overlooked is the fact that the payoff for the personal and political agendas, always comes from the private pensions of current and retired employees. Not from public funds, and definitely not from any of the legislator's personal investment funds.

Now how does one come to the conclusion that the money in Ohio's Pension Systems is private, not public, funds? The answer is obvious, if you track the ownership of the money from the beginning.

Individuals pay taxes. The Governor and Legislature establish budgets for spending the taxes. State employers offer employment and compensation to people. Part of the compensation package is salary, and part is employer contributions into the employee's pension. People accept the employment and compensation offer. People go to work, and employers pay them their salaries and pension contributions.

At the point of payment, the title to the property, whether salary or contribution, becomes the personal property of the employee. It is no longer taxpayer money. It is the employees' money, their compensation, some of which is held in trust for them to be paid later under formulas and conditions established by the Legislature and Pension Board.

The General Assembly has no more right to siphon off part of those funds to reward friends, compensate contributors, or further political agendas; than they do to legislate that an employee use the salary portion of his or her compensation to reward friends, compensate contributors, or further political agendas. As a matter of fact, there are specific laws and penalties to prevent that type of abuse.

Thank God for the General Assembly that originally set up the pension system. They did it right by keeping the investment of pension funds out of the control of themselves and their fellow legislators. They put a Board of Trustees in charge, the majority of which were member elected, and two of which were administrative office holders. They charged this Board of Trustees with the fiduciary responsibility to steward these funds for the sole benefit of the members.

It couldn't be written any clearer than it is in section 145.11 (a) of the Ohio Revised Code where it is stated as follows:

The members of the public employees retirement board shall be the trustees of the funds created by section 145.23 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the public employees retirement system;

It is your money. You earned it. It is a shame, but you have to protect it. In no uncertain terms, let your legislator know that you expect them to respect the law, and refuse to be talked into abusing our pension funds